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RELEASED

Audit Of The Stationery
Revolving Fund
Fiscal Year 1974 *B-114862* ✓

House of Representatives

911649 *090141*

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

DEC 6, 1974



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON D C 20548

B-114862

The Honorable W Pat Jennings
Clerk of the House of Representatives

Dear Mr. Jennings

We have audited the Stationery Revolving Fund of the House of Representatives for the fiscal year ended June 30, 1974, pursuant to your request dated June 1, 1974.

GENERAL COMMENTS

The Stationery Revolving Fund, established by the act of July 17, 1947 (2 U.S.C. 46b-1), is administered by the Office Supply Service (OSS) under the jurisdiction of the Clerk of the House of Representatives and is subject to rules and regulations of the Committee on House Administration.

The act of July 2, 1954, as amended (2 U.S.C. 46b), authorizes a stationery allowance of \$3,000 for each Member, the Resident Commissioner from Puerto Rico; and the Delegates from the District of Columbia, Guam, and the Virgin Islands for a full regular session. The act of February 27, 1956 (2 U.S.C. 46b-2), authorizes a pro rata allowance for each Member, Delegate, or Resident Commissioner elected for part of a term. House Resolution 1276, effective December 2, 1970, and made permanent law by Public Law 91-665, approved January 8, 1971, authorizes an additional allowance of \$500, upon request, for each Member and for the Resident Commissioner or Delegate.

House Resolution 457, 92d Congress, made permanent by Public Law 92-184, approved December 15, 1971, provided authority to the Committee on House Administration to adjust allowances. Committee order number 10, effective January 21, 1974, increased the stationery allowance to \$5,250 for each regular session. Funds for these allowances are provided in the annual and supplemental appropriations for the House of Representatives.

The stationery allowances are credited to the Members' accounts at the beginning of each session of the Congress, or when new Members qualify, and may be withdrawn in cash or applied to purchases from OSS and other vendors. When a Member's service is terminated, any stationery allowance remaining to his credit is payable in cash to him or his heirs.

OSS has a salesroom in the Longworth House Office Building, a stockroom and an accounting room adjacent to the salesroom, and smaller stockrooms containing bulk paper and envelopes in the Cannon and Rayburn Buildings. OSS maintains a basic stock inventory of the most frequently used items and furnishes other items through special orders.

OSS furnishes House Members, committees, departments, and officers with stationery and office supplies at cost (exclusive of salaries and other operating expenses). Stationery and office supplies are furnished to certain committees, departments, and officers upon the receipt of requisitions approved by the Chairman, Committee on House Administration. The Stationery Revolving Fund is reimbursed monthly for stationery and supplies from funds appropriated for miscellaneous items and for special and select committees of the House. Stationery and supplies are also furnished on a reimbursable basis to other officials and committees of the House having funds not under direct control of the Committee on House Administration.

A Member may authorize OSS, in writing, to use his stationery allowance to pay for printing services, photocopying services, and certain other miscellaneous services documented by a commercial vendor's invoice

SCOPE OF AUDIT

We made our audit in accordance with generally accepted auditing standards and included a review of operations and of applicable Federal laws, an observation of the physical count of stock on hand, an examination of selected financial transactions and records, a verification of Members' stationery account balances through confirmations, and such other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

We prepared the comparative statements of assets and liabilities (sch. 1), operations and retained income (sch. 2), and changes in financial position (sch. 3) from the records of OSS. Salaries and other operating expenses of OSS are provided for under separate appropriations for the House of Representatives and are not included as expenses in determining the net income of the revolving fund.

In our opinion, the accompanying financial statements, which were prepared on a basis consistent with that of the preceding year and in accordance with the financial arrangements described above, present fairly the financial position of the Stationery Revolving Fund at June 30, 1974, the results of its operations, and the changes in its financial position for the year then ended.

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We are sending a copy of this report today to the Chairman of the Committee on House Administration.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James B. Stacks". The signature is written in a cursive, flowing style with a large initial "J".

Comptroller General
of the United States

SCHEDULE 1

HOUSE OF REPRESENTATIVES
STATIONERY REVOLVING FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1974 AND 1973

	<u>1974</u>	<u>1973</u>
ASSETS		
CASH		
In U S Treasury	\$ 979,729	\$ 546,211
ACCOUNTS RECEIVABLE		
Supplemental appropriations	\$ -	\$336,250
Committees, officers of the		
House, and others	33,441	23,198
Members' stationery accounts		
overdrawn	95	112
Vendors	<u>2,753</u>	<u>1,497</u>
	36,289	361,057
MERCHANDISE INVENTORY, at cost	<u>595,450</u>	<u>423,937</u>
Total assets	<u>\$1,611,468</u>	<u>\$1,331,205</u>
LIABILITIES AND RETAINED INCOME		
ACCOUNTS PAYABLE (note a)		
Due vendors	\$ 133,884	\$ 124,453
AMOUNT DUE MEMBERS (sch 4)	1,207,207	943,670
ALLOWANCE APPROPRIATED BUT NOT ALLOTTED	27,792	33,938
RETAINED INCOME (sch 2)	<u>242,585</u>	<u>229,144</u>
Total liabilities and retained income	<u>\$1,611,468</u>	<u>\$1,331,205</u>

a/Obligations for undelivered orders amounted to \$148,144 at June 30, 1974, and \$131,273 at June 30, 1973

SCHEDULE 2

HOUSE OF REPRESENTATIVES
STATIONERY REVOLVING FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND RETAINED INCOME FOR FISCAL YEARS
ENDED JUNE 30, 1974 AND 1973

	1974			1973		
	<u>Merchandise</u>	<u>Services</u>	<u>Combined</u>	<u>Merchandise</u>	<u>Services</u>	<u>Combined</u>
NET SALES						
Memoers	\$1,705,996	\$369,183	\$2,075,179	\$1,487,997	\$289,022	\$1,777,019
Committees, officers of the House, and others	<u>355,492</u>	<u>2,991</u>	<u>358,483</u>	<u>260,202</u>	<u>1,128</u>	<u>261,330</u>
Total	<u>2,061,488</u>	<u>372,174</u>	<u>2,433,662</u>	<u>1,748,199</u>	<u>290,150</u>	<u>2,038,349</u>
COST OF SALES						
Beginning inventory	<u>a/423,937</u>	-	<u>a/423,937</u>	<u>a/328,547</u>	-	<u>a/328,547</u>
Purchases less re- turns and discounts	<u>2 219 561</u>	<u>372 174</u>	<u>2,591,735</u>	<u>1,832,266</u>	<u>290,150</u>	<u>2,122,416</u>
Total	<u>2,643,498</u>	<u>372,174</u>	<u>3,015,672</u>	<u>2,160,813</u>	<u>290,150</u>	<u>2,450,963</u>
Less ending inventory	<u>a/595,450</u>	-	<u>a/595,450</u>	<u>a/423,937</u>	-	<u>a/423,937</u>
Cost of sales	<u>2,048,048</u>	<u>372,174</u>	<u>2,420,222</u>	<u>1,736,876</u>	<u>290,150</u>	<u>2,027,026</u>
NET INCOME FOR THE PERIOD (note b)	<u>\$ 13,440</u>	<u>\$ -</u>	<u>\$ 13,440</u>	<u>\$ 11,323</u>	<u>-</u>	<u>\$ 11,323</u>
RETAINED INCOME						
Balance beginning period			\$ 229,144			\$ 217,821
Add net income for period			<u>13,440</u>			<u>11,323</u>
Balance end of pe- riod (sch 1)			<u>\$ 242,584</u>			<u>\$ 229,144</u>

a/Amount adjusted on the basis of purchase prices less trade discounts

b/Fiscal year 1974 salaries of \$260,370 97 (\$249,200 in 1973), employee benefits of \$22,595 17 (\$22,768 in 1973), and other operating expenses of OSS were provided for under separate appropriations for the House of Representatives and were not required to be included as expenses in determining net income

HOUSE OF REPRESENTATIVES

STATIONERY REVOLVING FUND

COMPARATIVE STATEMENT OF CHANGE IN FINANCIAL POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 1974 AND 1973

	<u>1974</u>	<u>1973</u>
FUNDS PROVIDED:		
Sales		
Members	\$1,705,996	\$1,487,997
Committees, officers of the House, and others	355,492	260,202
Services:		
Members	369,183	289,022
Committees, officers of the House, and others	2,991	1,128
Appropriation for stationery al- lowances	<u>2,304,750</u>	<u>1,865,750</u>
Total	<u>\$4,738,412</u>	<u>\$3,904,099</u>
FUNDS APPLIED:		
Cost of sales	\$2,048,048	\$1,736,876
Cost of services	372,174	290,150
Appropriation allotted	2,310,895	1,907,063
Increase or decrease (-) in working capital	<u>7,295</u>	<u>-29,990</u>
Total	<u>\$4,738,412</u>	<u>\$3,904,099</u>

ANALYSIS OF CHANGES IN WORKING CAPITAL

INCREASE OR DECREASE (-) IN CURRENT

ASSETS:

Cash in U.S. Treasury	\$ 433,518	\$ -329,576
Accounts receivable:		
Supplemental appropriation	-336,250	336,250
Committees, officers of the House, and others	10,243	3,338
Members' stationery accounts overdrawn	-17	-464
Vendors	1,256	-2,168
Contingent fund	-	-1,500
Inventory	171,513	95,389
INCREASE (-) IN CURRENT LIABILITIES		
Accounts payable	-9,431	-48,677
Allowance due Members	<u>-263,537</u>	<u>-82,582</u>

INCREASE OR DECREASE (-) IN WORKING
CAPITAL

\$ <u>7,295</u>	\$ <u>-29,990</u>
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HOUSE OF REPRESENTATIVES
STATIONERY REVOLVING FUND
STATEMENTS OF MEMBERS' STATIONERY ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1974

AMOUNT DUE MEMBERS AT JULY 1, 1973 \$ 943,670

ADDITIONS

Amount provided by Legislative Branch Appropriation Act, 1974 (Public Law 93-145), and Second Supplemental Appropriation Act, 1974 (Public Law 93-305), for 2d session, 93d Congress, less un- allotted appropriations	\$2,276,958	
Unallotted prior year's appropria- tion	33,937	
Cash deposits by Members	<u>698,484</u>	<u>3,009,379</u>
Total available		3,953,049

DEDUCTIONS•

Stationery purchases by Members	1,705,996	
Services authorized	369,183	
Cash withdrawals	670,646	
Decrease in debit balance of Members' accounts	<u>17</u>	<u>2,745,842</u>
AMOUNT DUE MEMBERS AT JUNE 30, 1974		<u><u>\$1,207,207</u></u>

Mr B. Quattrocchi
Room - 6741
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